

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF EP ENERGY E&P COMPANY, L.P. FOR AN ORDER POOLING ALL INTERESTS, INCLUDING THE COMPULSORY POOLING OF THE INTERESTS OF ARGO ENERGY PARTNERS, LTD., DUSTY SANDERSON, HUNT OIL COMPANY, KKREP, LLC, AND J.P. FURLONG CO., IN THE DRILLING UNIT ESTABLISHED FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE LOWER GREEN RIVER-WASATCH FORMATIONS COMPRISED OF ALL OF SECTION 2, TOWNSHIP 3 SOUTH, RANGE 5 WEST, U.S.M., DUCHESNE COUNTY, UTAH

NOTICE OF HEARING

Docket No. 2015-013
Cause No. 139-130

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE FOLLOWING MATTER.

Notice is hereby given that the Board of Oil, Gas and Mining ("Board"), State of Utah, will conduct a hearing on WEDNESDAY, APRIL 22, 2015, at 10:00 AM, or as soon thereafter as possible, in the Moab City Council Chambers, 217 East Center Street, Moab, Utah.

The hearing will be conducted as a formal administrative adjudication in accordance with the rules of the Board as set forth in Utah Administrative Code R641 et seq., and as provided for in Utah Code Ann. § 40-6-1 et seq., and Utah Code Ann. § 63G-4-101 through 601.

The purpose of the hearing will be for the Board to receive testimony and evidence regarding a Request for Agency Action that the Board enter an Order:

1. Pooling all interests, including the compulsory pooling of the interests of Argo Energy Partners, Ltd. ("Argo"), Dusty Sanderson and J.P. Furlong Co. (collectively hereinafter referred to as the "Non-Consenting FP Parties") and of Hunt Oil Company ("Hunt") and KKREP, LLC ("KKREP"), in the drilling unit for the production of oil, gas and associated hydrocarbons from the Lower Green River-Wasatch formations, defined as:

the interval from the top of the Lower-Green River formation (TGR3 marker) to the base of the Green River-Wasatch formations (top of the Cretaceous), which

base is defined as the stratigraphic equivalent of the Dual Induction Log depths of 16,720 feet in the Shell-Ute 1-18B5 well located in the S½NE¼ of Section 18, Township 2 South, Range 5 West, U.S.M., and 16,970 feet in the Shell-Brotherson 1-11B4 well located in the S½NE¼ of Section 11, Township 2 South, Range 4 West, U.S.M.

(the "Subject Formations"), comprised of the entirety of Section 2, Township 3 South, Range 5 West, U.S.M. (the "Drilling Unit"), retroactively effective to October 10, 2014, the date of first production of the Neihart 2-2C5 Well ("the Subject Well") located upon the Drilling Unit, including the compulsory pooling of the interests of the Non Consenting FP Parties, Hunt and KKREP;

2. Declare the Non-Consenting FP Parties as "non-consenting owners," as that term is defined in Utah Code Ann. §40-6-2(11), and as owners "deemed to have refused to bear their proportionate share of costs" in accordance with Utah Admin. Code Rule R649-2-9(1) as relating to the Subject Well;

3. Declare EPE, as Operator on behalf of itself, Bill Barrett Corporation, Crescent Point Energy U.S. Corp., Croff Oil Company, Inc., Broughton Petroleum, Inc., T.C. Craighead & Company, Slover Minerals, L.P., QEP Energy Company, LINN Operating, Inc., and KKREP, as a "consenting owner," as that term is defined in Utah Code Ann. §40-6-2(4), as relating to the Subject Well;

4. Provide for the recovery by EPE, as Operator, from the Non-Consenting FP Parties' respective shares of production of the costs set forth in Utah Code Ann. §40-6-6.5(4) as relating to the Subject Well, including a non-consent penalty of 300% pursuant to Utah Code Ann. §40-6-6.5(4)(d)(i)(D), and estimated plugging and abandonment costs of \$75,000 for the Subject Well;

5. Provide for the payment of the weighted average fee landowner's royalty (17.326052%) proportionately reduced to Argo and Mr. Sanderson in the Drilling Unit during the cost recovery period as provided in Utah Code Ann. §§40-6-6.5(6) and (8);

6. Adopt the terms of the joint operating agreement ("JOA") attached as Exhibit "1" to the Request for Agency Action filed in this cause on March 10, 2015, to govern operations upon the Drilling Unit to the extent not inconsistent with the foregoing, as between EPE, as Operator, and the Non-Consenting FP Parties, as Non Operators (which, in all material aspects, is the same as the one previously submitted by EPE to said parties), as provided in Utah Code Ann. §40-6-6.5(2)(c);

7. Generally include in such order all such other terms and conditions as required under Utah Code Ann. §40-6-6.5; and

8. Providing for such other and further relief as may be just and equitable under the circumstances.

Objections to the Request for Agency Action must be filed with the Secretary of the Board at the address listed below no later than the 8th day of April, 2015. A party must file a timely written objection or other response in order to participate as a party at the Board hearing. Failure to participate can result in a default judgment.


Natural persons may appear and represent themselves before the Board. All other representation of parties before the Board will be by attorneys licensed to practice law in the State of Utah, or attorneys licensed to practice law in another jurisdiction which meet the rules of the Utah State Bar for practicing law before the Utah Courts.

Persons interested in this matter may participate pursuant to the procedural rules of the Board. The Request for Agency Action, and any subsequent pleadings, may be inspected at the office of the undersigned, and inspected online at the Utah Board of Oil, Gas and Mining's website at <http://ogm.utah.gov/amr/boardtemp/redesign/books.html>.

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Ann Carter at (801) 538-5277, at least three working days prior to the hearing date.

DATED this 30th day of March, 2015.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING
Ruland J. Gill, Jr., Chairman



/s/ Julie Ann Carter
Board Secretary
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116
(801) 538-5277

CERTIFICATE OF PUBLISHED NOTICE

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2015-013 Cause No. 139-130 to be PUBLISHED in the following newspapers on the following days:

April 5, 2015:

The Salt Lake Tribune and Deseret Morning News, newspapers of general circulation in Salt Lake City and County.

April 7, 2015:

Uintah Basin Standard, a newspaper of general circulation in Duchesne and Uintah Counties.



CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of March, 2015, I caused a true and correct copy of the foregoing NOTICE OF HEARING for Docket No. 2015-013, Cause No. 139-130, to be mailed by Email or via First Class Mail with postage prepaid, to the following:

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Sheldon J. Lewis Living Trust
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Heir of Vera Atwood
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West Linn, OR 97068

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Fruita, CO 81521

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Canby, OR 97013

Calvin Gardner, Apparent
Heir of Vera Atwood
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Roosevelt, UT 84066

Erma Merkley, as Trustee
of the Erma Merkley Property Trust
P.O. Box 484
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Michael Robert Page
114 West Creek
Fredericksburg, TX 78624

Joan Thompson, Trustee of the E. Arthur
Higgins Living Family Trust dtd 11/18/99
3446 West 5700 South
Roy, UT 84067

Lance James Page
11408 NE 113 Ter
Liberty, MO 64068
[Address added 3/20/2015]

Black Stone Minerals Company, LP
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Houston, TX 77002-6709

Paul L. McCulliss
P.O. Box 3248
Littleton, CO 80161-3248

Harry L. Wirick, Jr., as Trustee of the
Margaret S. Wirick Trust Under Trust
Agreement d. 8/26/97
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Milam Sons' Minerals, LLC
John B. Milam, Manager
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Chelsea, OK 74016-0026

Margaret A. Slemaker, Trustee of the
Richard W. Slemaker, Jr. and Margaret A.
Slemaker Revocable Trust d. 10/10/03
P.O. Box 163
Broken Arrow, OK 74013-0163

Mary Ellen Slemaker Benien
1800 W. Granger Street
Broken Arrow, OK 74102

Daniel S. and Penny B. Sam
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Covey Minerals, Inc.
Attn: Gary Nelson
2733 Parleys Way, Suite 304
Salt Lake City, UT 84109

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Salt Lake City, UT 84109-1228

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Melvin D. Close Jr., as Trustee of the
Melvin D. Close, Jr. Trust
2124 Redbird Drive
Las Vegas, NV 89134

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Trustees for the Jeanne and Kenneth L.
Wilkinson Trust
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Weston LaMar Thomas
P.O. Box 891
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Walter Duncan Oil, LLC
100 Park Avenue, Suite 1200
Oklahoma City, OK 73102

Club Oil and Gas, Ltd., LLC
(formerly Club Oil & Gas, Ltd.)
66 Inverness Lane East
Englewood, CO 80112

Raymond T. Duncan Oil Properties, Ltd.
1777 S. Harrison Street, Penthouse One
Denver, CO 80210

Michael N. Fairbanks
Mark S. Fairbanks
7490 South 530 West
Willard, UT 84340

Suzanne A. Williamson
(No valid address disclosed)

Sharla Rae Lemon
(No valid address disclosed)

Sherrie Lee Swinden
(No valid address disclosed)

Emily Jacobsen
Successor Trustee of the Fees Revocable
Trust dated April 2, 1968, as amended
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Colorado Springs, CO 80918

Antelope ORRI, LLC
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The Woodlands, TX 77380

Ute Tribe of Uintah and Ouray Indian
Reservation
Energy & Minerals Dept.
P.O. Box 70
Ft. Duchesne, UT 84026

Ute Distribution Corporation
P.O. Box 696
Roosevelt, UT 84066

Newfield Production Company
1001 17th Street, Suite 2000
Denver, CO 80202

**UNLEASED/NON-CONSENTING/NON-POOLED PARTIES TO BE FORCE
POOLED:**

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J.P. Furlong Co.
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Bismarck, ND 58502

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1900 North Akard Street
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KKREP, LLC
Attn: Kruise B. Kemp, President
P.O. Box 80942
Billings, MT 89108

WORKING INTEREST OWNERS:

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Denver, CO 80202

Broughton Petroleum Inc.
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Crescent Point Energy U.S. Corp.
Attn: Ryan Waller
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Denver, CO 80202

Croff Oil Company, Inc.
16 Waterway Court
The Woodlands, TX 77380-2641

Linn Operating, Inc.
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Denver, CO 80202

QEP Energy Company
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Denver, CO 80265

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T.C. Craighead & Company
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Ardmore, OK 73402-0576

SUPERVISORY GOVERNMENTAL AGENCIES:

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Fort Duchesne, UT 84026

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Vernal, UT 84078